

## **Assessing the Impact of RFID on Return Center Logistics**

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As many manufacturers, retailers, distributors, and logistics firms adopt RFID, the technology is becoming pervasive in the supply chain. Although its advocates include retail giants such as Wal-Mart, not all companies are enthusiastic about its benefits. It is not clear whether RFID is a boon or a curse to the supply chain—its market growth may just be an issue of compliance. To establish the real benefits of RFID, we conducted a field study with GENCO, a third-party logistics company that deployed RFID in the outbound logistics operations at one of its return centers. Our analysis found that the RFID implementation had a significant impact on the GENCO outbound process. The number of customer claims fell substantially following the RFID deployment. After controlling for other factors in our model, we confirmed that RFID was a key factor that contributed to the positive results at this return center. The current study underscores the potential of RFID for today's businesses.

\*To read the Full paper, please contact [Arun\\_Kumar@isb.edu](mailto:Arun_Kumar@isb.edu)